

**SECTION L**  
**INSTRUCTIONS, CONDITIONS, AND NOTICES TO OFFERORS**

**L.1. 52.204-6 DATA UNIVERSAL NUMBERING SYSTEM (DUNS) NUMBER (JUNE 1999)**

(Reference 4.603)

**L.2. 252.209-7001 DISCLOSURE OF OWNERSHIP OR CONTROL BY THE GOVERNMENT OF A TERRORIST COUNTRY (MAR 1998)**

(Reference 209.104-70)

**L.3. 52.215-1 INSTRUCTIONS TO OFFERORS---COMPETITIVE ACQUISITION (MAY 2001)**

(Reference 15.209(a))

**L.4. 52.215-16 FACILITIES CAPITAL COST OF MONEY (OCT 1997)**

(Reference 15.408)

**L.5. 52.222-24 PREAWARD ON-SITE EQUAL OPPORTUNITY COMPLIANCE EVALUATION (FEB 1999)**

(Reference 22.810)

**L.6. 52.211-14 NOTICE OF PRIORITY RATING FOR NATIONAL DEFENSE USE (SEP 1990)**

Any contract awarded as a result of this solicitation will be [ ] DX rated order; /[X] DO rated order certified for national defense use under the Defense Priorities and Allocations System (DPAS) (15 CFR 700), and the Contractor will be required to follow all of the requirements of this regulation.

(End of provision)

**L.7. 52.215-20 REQUIREMENTS FOR COST OR PRICING DATA OR INFORMATION OTHER THAN COST OR PRICING DATA (OCT 1997)**

(a) Exceptions from cost or pricing data. (1) In lieu of submitting cost or pricing data, offerors may submit a written request for exception by submitting the information described in the following subparagraphs. The Contracting Officer may require additional supporting information, but only to the extent necessary to determine whether an exception should be granted, and whether the price is fair and reasonable.

(i) Identification of the law or regulation establishing the price offered. If the price is controlled under law by periodic rulings, reviews, or similar actions of a governmental body, attach a copy of the controlling document, unless it was previously submitted to the contracting office.

(ii) Commercial item exception. For a commercial item exception, the offeror shall submit, at a minimum, information on prices at which the same item or similar items have previously been sold in the commercial market that is adequate for evaluating the reasonableness of the price for this acquisition. Such information may include--

(A) For catalog items, a copy of or identification of the catalog and its date, or the appropriate pages for the offered items, or a statement that the catalog is on file in the buying office to which the proposal is being submitted. Provide a copy or describe current discount policies and price lists (published or unpublished), e.g., wholesale, original equipment manufacturer, reseller. Also explain the basis of each offered price and its relationship to the established catalog price, including how the proposed price relates to the price of recent sales in quantities similar to the proposed quantities;

(B) For market-priced items, the source and date or period of the market quotation or other basis for market price, the base amount, and applicable discounts. In addition, describe the nature of the market;

(C) For items included on an active Federal Supply Service Multiple Award Schedule contract, proof that an exception has been granted for the schedule item.

(2) The offeror grants the Contracting Officer or an authorized representative the right to examine, at any time before award, books, records, documents, or other directly pertinent records to verify any request for an exception under this provision, and the reasonableness of price. For items priced using catalog or market prices, or law or regulation, access does not extend to cost or profit information or other data relevant solely to the offeror's determination of the prices to be offered in the catalog or marketplace.

(b) Requirements for cost or pricing data. If the offeror is not granted an exception from the requirement to submit cost or pricing data, the following applies:

(1) The offeror shall prepare and submit cost or pricing data and supporting attachments in accordance with Table 15-2 of FAR 15.408.

(2) As soon as practicable after agreement on price, but before contract award (except for unpriced actions such as letter contracts), the offeror shall submit a Certificate of Current Cost or Pricing Data, as prescribed by FAR 15.406-2.

(End of provision)

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**L.8. 52.216-1 TYPE OF CONTRACT (APR 1984)**

The Government contemplates award of a primary cost plus incentive fee contract; plus fixed rate requirements, fixed price, award fee, and cost reimbursement featured contract resulting from this solicitation.

(End of provision)

**L.9. 52.233-2 SERVICE OF PROTEST (AUG 1996)**

(a) Protests, as defined in section 33.101 of the Federal Acquisition Regulation, that are filed directly with an agency, and copies of any protests that are filed with the General Accounting Office (GAO), shall be served on the Contracting Officer (addressed as follows) by obtaining written and dated acknowledgment of receipt from Contracting Officer, TRICARE Management Activity, Contract Management Division, 16401 East Centretch Parkway, Aurora, CO 80011.

(b) The copy of any protest shall be received in the office designated above within one day of filing a protest with the GAO.

(End of provision)

**L.10. General**

a. Section L provides instructions for preparing proposals. Offerors are cautioned to follow the instructions carefully to assure the Government receives consistent information in a form that will facilitate proposal evaluation.

b. Quantities identified in Section B are estimates based on historical data and projections of future use.

c. Offerors shall submit their anticipated organization structure fifteen calendar days prior to the submission of proposals. This document must include the prime contractor and major first tier subcontractors. The organization structure shall include addresses and telephone numbers. In the case of a joint venture or other business structure, a clear description of the organizational relationships must be disclosed.

d. Proposals shall be marked as follows:

ABC Corporation  
MDA906-02-R-0006  
Managed Care Support

e. Offerors are to submit proposals to the Contracting Officer at the address indicated below. The proposals are to be in electronic format, on CD-ROM, compatible with Microsoft Office 97 applications. Oral presentation slides are to be in the same format. Each CD-ROM shall be made read only and "burned" at a minimum 8x speed. In addition, each CD-ROM must be made "final". "Final" is a recording option that renders the CD totally used so no other data tracks can be added. Two copies are to be submitted. Do not use compressed file formats. Documents such as annual reports, previously printed materials, graphics or any other documents that cannot be submitted in electronic form are exempt. Two hardcopies of these materials shall be submitted.

Contracting Officer, Managed Care Support  
Acquisition Management & Support  
Contract Management Division, Contract Management Acquisition Branch  
16401 East Centretch Parkway, Aurora, CO 80011-9066

f. Each CD-ROM shall include the proposal date, the solicitation number, and be identified as the cost proposal, technical proposal, past performance information, financial information, and subcontracting plan. A separate CD is required for the cost proposal, technical proposal, past performance information, financial information, and subcontracting plan. Submissions shall be virus free.

g. The proposal acceptance period is specified in Block 12 of the Standard Form 33. Offerors are instructed to indicate in Block 12 that the proposal is valid for a minimum of 180 days.

h. The Government intends to evaluate proposals and award a contract without discussions. In the event the Contracting Officer determines discussions necessary at a later date, the Government reserves the right to conduct discussions.

i. Proposals will be evaluated based on written and oral information presented. Proposals (written and oral) should contain the offeror's best terms from a cost or price and technical standpoint. Offerors shall assume that the Government

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has no prior knowledge of their facilities and experience. The Government will base its evaluation solely on the information presented.

j. Elaborate brochures or documentation, binding, detailed artwork, or other embellishments shall not be submitted. Similarly, for the oral presentation, elaborate productions are not desired.

k. In accordance with Federal Acquisition Regulation Subpart 4.8, Government Contract Files, the Government will retain one copy of all unsuccessful proposals. Unless the offeror requests otherwise in writing, the Government will destroy extra copies of unsuccessful proposals.

l. If a final proposal revision is requested during this acquisition cycle, it is to be submitted in the same electronic format as the initial proposal. Track changes shall be used to indicate revisions.

**L.11. Information**

a. The Contracting Officer and the Contract Specialist are the sole points of contact for this procurement. Questions regarding the solicitation or other concerns are to be submitted electronically to the Contracting Officer/Specialist via the Managed Care Support Services website at <http://www.tricare.osd.mil/contracting/healthcare/solicitations/MCSS>.

b. Pre-Proposal Conference

(1) A pre-proposal conference will be held at or near the TRICARE Management Activity, Aurora, CO within 30 days of RFP release. Further details will be provided via email to interested parties registered as potential offerors on the TMA web site for the Managed Care Support Services solicitation (<http://tricare.osd.mil/contracting/healthcare/solicitations/MCSS>). Offerors are encouraged to submit written questions concerning the requirements of this request for proposals (RFP) at least 5 working days prior to the start of the pre-proposal conference.

(2) Offerors must register on the TMA contracting website (<http://tricare.osd.mil/contracting/healthcare/solicitations/MCSS>) in order to receive information regarding the conference. If an offeror does not register, attendance at the pre-proposal conference will be permitted on a space available basis only. Attendance is at the sole expense of potential offerors.

(3) Offerors may access the associated TRICARE Manuals through the solicitation website (<http://tricare.osd.mil/contracting/healthcare/solicitations/MCSS>). Paper copies or CDs are not available.

(4) The remarks, explanations, and answers provided by Government representatives before, during, and after the pre-proposal conference, whether orally or in writing, shall not change or qualify any of the terms or conditions of the RFP. The RFP can only be changed by a formal written amendment issued by the Contracting Officer.

c. The Government will award three contracts for managed care support services to three different sources under this solicitation. There will be one area per contract award. All prospective offerors may submit a proposal for any one or all three of the contract areas; however, no one offeror will be awarded more than one contract. For purposes of this solicitation, no offeror, its parent or subsidiary, or a company directly related to the offeror through common ownership, control or management by a parent company, (considered a "related entity" for purposes of this provision) may be awarded another contract if the offeror is awarded one contract under this solicitation. If an offeror is awarded a contract, a related entity may not in any manner underwrite health care under the award of another contract pursuant to this solicitation. If an offeror is awarded one contract, this restriction does not prohibit a related entity from acting as a subcontractor for the provisions of services (other than those involved in the underwriting of health care) under another contract award.

**L.12. Proposal Preparation**

a. The proposal shall consist of a completed Standard Form 33-Solicitation, Offer and Award; a technical proposal, limited to proposed performance standards and oral presentation slides; a cost proposal, to include Section B-Supplies or Services and Prices/Costs; past performance information; Section K-Representations, Certifications, and Other Statements of Offerors or Respondents; and financial information. Proposals will be reviewed for completeness and for compliance with the instructions provided in this request for proposals. Proposals that do not include all required information, or do not comply with preparation instructions may be rejected. An oral presentation is considered part of the proposal.

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- b. A proposed subcontracting plan shall be submitted with the proposal. A final plan will be negotiated between the parties prior to award.
- c. The documents listed below are to be submitted as separate entities.

- Oral Presentation Slides
- Technical Proposal
- Past Performance Information
- Financial Information
- Cost Proposal
- Subcontracting Plan

The primary component of the technical proposal is the oral presentation. The technical proposal shall be separated into two sections; Section 1-oral presentation slides and Section 2- written documentation required by the RFP. Potential offerors are to use Microsoft Office 97, Power Point or Word, to create the oral presentation slides submitted to the Government.

d. Oral Presentation Process

(1) Offerors will be scheduled for an oral presentation after the closing date for submission of written proposals. Offerors will be scheduled for their oral presentation by a random lottery drawing conducted by the Contracting Officer. Oral presentations will commence within 15 working days after the date of receipt of proposals. Requests for rescheduling will not be accepted. If an offeror is not present at the scheduled time for its oral presentation, the offeror will be disqualified from further consideration for award. The purpose of the oral presentation is to demonstrate the offeror's understanding of the requirements of the prospective contract and their capability, including staffing, to meet those requirements. This presentation shall not be a marketing or sales presentation. The presentation shall address the offeror's technical solution to the requirement. The cost proposal, past performance information, and financial information shall not be addressed in this presentation.

Offerors shall clearly state the services which is being offered to the Government and their overall approach. For example, an offeror could offer mass mailings to enhance beneficiary education. If no additional details are provided, the Government will find no value to this proposal. However, if mass mailing to all TRICARE eligible households were proposed within 30 calendar days following the implementation of a new benefit with expected regional health care costs in excess of \$2,000,000 annually the Government may have enough information to understand exactly what the Government will purchase if the offeror's proposal is accepted. Work flow diagrams are allowed. Offerors shall specifically identify on the slides any proposed enhancements to include any standards that will exceed the stated Government standards. An explanation of how the offeror will meet the proposed higher standards and enhancements is required. Offerors shall specifically identify on the slides any proposed waivers to the requirements.

(2) The presentation will be limited to four hours, not including the three 15 minute breaks. It is the offeror's responsibility to present all applicable material within the allotted time. Offerors may use only overhead or computer generated slides. No video presentations will be allowed. Materials shall be suitable for oral and visual presentation and shall be numbered such that all presented material can be tracked. The Government will provide one computer loaded with Microsoft Office 97 with projector, overhead projector and a projection screen for the offeror's use during the oral presentation. Unnecessarily elaborate presentations beyond those sufficient to present a complete and effective response to this solicitation are not desired. Offerors will not be permitted to make audio or video recordings of the session.

(3) Presentation slides are to be submitted on CD-ROM with the proposal. Prior to the oral presentation, the Government will load the contents of this CD-ROM into the presentation computer or overhead projector. An outline of the order of the presentation shall be included. No written modifications or substitutions to this material will be accepted after the proposal submission. Offerors shall not present any written material during the presentation that is not included in the proposal submission.

(4) Oral presentations will be evaluated in accordance with Section M. The Government will only evaluate the information discussed during the oral presentation. Any slide not individually addressed, discussed or presented during the oral presentation will not be evaluated. If there are discrepancies of a non-clerical nature between the information presented on the slides and the information presented orally, the information on the slides will take precedence.

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(5) The location for oral presentations will be at or near the TRICARE Management Activity, Aurora, CO. Potential offerors will be informed of the location by the Contracting Officer when that location has been determined. Prior to the start of oral presentations, but no later than 5 working days prior to the beginning of oral presentations the facility where orals are to held will be identified to offerors. The Government reserves the right to reschedule an offeror's presentation at the Government's discretion.

(6) The oral presentation will not constitute discussions nor will it obligate the Government to solicit any revisions to offers.

(7) The Government may incorporate into the awarded contract those elements of an offeror's proposal that exceed the Government's minimum requirements. These elements must be specifically identified and addressed during the oral presentation by the offeror.

(8) The Government will not ask any questions during an offeror's prepared portion of their oral presentation. After the presentation, the Government will only ask follow up questions for the purposes of clarification. To the extent that communication is necessary, the following guidelines will be applied.

Communications will be conducted by presenting written clarification questions to the offeror after the prepared portion of the oral presentation. These questions serve to enhance the Government's understanding of the proposal, allow reasonable interpretation of the proposal, and/or facilitate the Government's evaluation process. Communications shall not be used to cure proposal weaknesses or material omissions, materially alter the technical or cost elements of the proposal, and/or otherwise revise the proposal. Communications shall not provide an opportunity for an offeror to revise their proposal, but may address ambiguities in the proposal or other concerns such as minor errors or mistakes.

(9) After completion of an offeror's oral presentation, a break will be taken to allow the Government to discuss potential clarification questions related to the presentation. After the break, the offeror will be presented with numbered written clarification questions. A two hour period will be allowed for the offeror to prepare answers to the questions presented them. The offeror will have two hours to present their answers in the numeric order in which the questions are labeled.

(10) Key company personnel, to include subcontractor personnel (if applicable) designated with direct responsibility for the areas they are presenting shall conduct the oral presentation. No outside consultants shall be used in the presentation. The presentation must clearly demonstrate an offerors' capability, organization and method of performing the services required.

(11) The schedule for oral presentations is outlined below. Time limits will be strictly enforced. Offerors will be given the choice to space the three 15 minute breaks during the morning session to fit their presentations. However, the three breaks must be reasonably spaced over the total period and are required to be utilized. If not scheduled during the presentation by the offeror, three 15 minute breaks will be enforced by TMA.

Local Denver, CO Time

6:30 a.m.	Presentation room is open to offeror
7:30 a.m.-8:00 a.m.	TMA/Offeror introductions and instructions
8:00 a.m.-12:45 a.m.	Offeror's presentation (includes three 15 minute breaks)

The scheduled depicted below will be followed if clarifications are deemed necessary.

12:45 p.m.-8:30 a.m.	TMA develops clarification questions
8:30 a.m. – 8:35 a.m.	Offeror presented with TMA questions.
8:35 a.m. – 10:35 a.m.	Offeror prepares answers to TMA questions
10:35 a.m. – 12:35 p.m.	Offeror presentation to the Evaluation team

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e. Oral Presentation Topics

(1) Factor 1 – Technical Approach

Subfactor 1 - Support the MHS in the optimization of the delivery of health care services in the direct care system for all MHS beneficiaries (active duty personnel, MTF enrollees, civilian network enrollees, and non-enrollees).

(a) The contractor shall detail its procedures, standards, and internal quality monitoring and reporting processes that are capable of supporting the optimization of the health care services available within each MTF. The offeror shall detail how its processes will meet the standards and achieve the objective. The description shall include:

[1] The offeror's medical management program (MMP) in relation to how it will support the direct care system; integrate care across the direct and purchased care components of the Defense Health Program (DHP); identify beneficiaries requiring medical management services; accommodate and respond to planned and unplanned changes in the capability and capacity of each MTF; educate beneficiaries, the MTF and network providers about the offeror's medical management program; identify and integrate all sources of funding and assistance; and share data supporting the identification and timely treatment of beneficiaries appropriate for the offeror's proposed medical management program.

[2] The offeror's network development and operations program as it relates to optimizing each MTF. The description shall include:

-- How network sizing model is designed to support MTF optimization. The discussion of the model shall include how the number and specialty of providers in each catchment area relate to MTF capabilities and capacities and how this sizing supports the capability and capacity of the MTF to ensure that MTF primary care providers have ready access to specialty care providers and how network primary care providers will utilize the specialists available at the MTF.

-- How network sizing model will ensure that network access standards in every Prime service area for every specialty will be achieved to ensure that MTF providers have ready access to the clinical resources not available within the MTF in support of their clinical management of the patient.

-- How the offeror's referral management processes will direct all MHS beneficiaries to the MTF when capability and capacity exists and how the offeror will support this process through its network management activities.

-- How the offeror's TRICARE Prime enrollment and assignment processes (to include PCM by name) will ensure MTF optimization while maintaining a compliment of network primary care providers sufficient to ensure that TRICARE Prime is available to all interested beneficiaries.

-- How TRICARE Plus enrollment will be accomplished for all MHS eligible beneficiaries and supported by the network to ensure ready access to specialty services.

-- How the offeror's capabilities to support resource sharing will enhance the MTFs capability and capacity. This description must include the criteria the offeror will utilize to determine when it will support a resource sharing request from the Government and the processes the offeror will utilize to identify potential resource sharing opportunities to the Government.

-- How the offeror's management and data analysis and support systems are designed to optimize MTF and network resources.

[3] The offeror shall describe its program for collaborating with the MTF to achieve optimization while recognizing the dynamic environment in which the MTF functions and the DHP's mission of having a fully trained, immediately deployable medical component capable of fulfilling any mission directed by Department of Defense leadership, the President, and/or Congress.

[4] The offeror shall explain how its medical management, referral, MHS beneficiary and provider education, and associated processes for MTF enrollees, including active duty personnel, will enhance the MTF Commander's ability to optimize the MTF.

[5] The offeror will explain how its beneficiary and provider education programs will optimize the MTF. The explanation shall include:

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-- How the provider education program will ensure that network providers are aware of the capabilities and capacities of the MTF, the extremely high clinical quality of services rendered at MTFs, and their responsibility to advise their patients of the benefits of selecting an MTF provider.

-- How the MHS beneficiary education program will enhance beneficiaries desire to use the MTF as their preferred provider, the requirement for Prime enrollees to use the MTF, the financial benefits of using the MTF, and how their use of the MTF supports their health care system. (See the TRICARE Operations Manual, Chapter 12, Section 1.)

**(2) Factor 1 – Technical Approach**

Subfactor 2 - Establish and maintain MHS beneficiary satisfaction at the highest level possible throughout the period of performance, through the delivery of world-class health care as well as customer friendly program services. Beneficiaries must be highly satisfied with each and every service provided by the contractor during each and every contact.

(a) The offeror shall describe its proposal for achieving highly satisfied TRICARE beneficiaries. The description shall include the offeror's proposed measurement and calculation of customer satisfaction. The offeror's explanation is to assist the Government evaluation of the contractor's ability to perform and manage customer satisfaction.

(b) The offeror shall describe how its model for network sizing will result in highly satisfied beneficiaries while considering the diversity of the direct care and civilian health care market in each prime service area. The description shall demonstrate that the proposed number of providers is sufficient to meet the time and distance access standards of 32 CFR 199.17. The description shall include the offeror's program for ensuring the providers are properly versed in TRICARE requirements. The contractor shall demonstrate that the provider specialties contained in the proposed network are sufficient to provide the full range of TRICARE covered benefits. The offeror shall also describe how they will provide coverage in prime service areas where a full complement of providers is not available. Additionally, the offeror shall propose its method for maintaining a current directory of network providers as well as their ability to accept new patients. The offeror shall demonstrate that its quality improvement plan will accurately measure its performance against the minimum standards of 32 CFR 199.17, and that the offeror is structured in a manner to rectify any deficiency immediately.

(c) The offeror shall describe how its referral management process will highly satisfy beneficiaries. The description shall include the process itself, how beneficiaries will be advised of the availability of MTF and network providers, how the offeror will ensure appointments are available from providers to whom MHS beneficiaries are referred, how providers to whom beneficiaries are referred are determined convenient to the beneficiary, how the provider will work with the PCM to ensure information is shared timely to ensure a productive visit, and how the referral process will be as minimally disruptive to the beneficiary as possible.

(d) The offerors description of the TRICARE Services Centers (TSC) shall include the services to be provided at each TSC as well as the offeror's proposal for accommodating and delivering TSC functions where Government furnished space is insufficient.

(e) The offeror shall provide a comprehensive description of its proposed customer services, to include enrollment processing, and explain how the proposed level of services will highly satisfy all TRICARE beneficiaries. This description shall include location of staff, modes of access, processes for achieving performance standards, quality monitoring, and management's ability to improve services immediately upon determining that TRICARE beneficiaries are less than highly satisfied with the offeror's service.

(f) The contractor shall describe its claims processing system and reimbursement procedures. The offeror shall explain its strategy for increasing the claims it will receive electronically. The offeror must recognize that claims for TRICARE/Medicare dual eligible beneficiaries will be processed under a separate contract. This does not negate the Managed Care Support Contractor's responsibility to provide all other services in a manner that achieves highly satisfied TRICARE/Medicare dual eligible beneficiaries.

(g) The offeror will describe the minimum qualifications of the education staff and explain how these minimum qualifications will result in the dynamic presentation of the Government furnished marketing and education material and the ability to answer questions from the varied audiences.

(h) The offeror shall describe its presentation techniques and the skill of its presenter. The offeror will demonstrate how the presentations will be tailored to match the various audiences' members.

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**(3) Factor 1 – Technical Approach**

Subfactor 3 - Provide the required administrative, management, and health care services, incorporating commercial practices when practical, to attain “best value health care” services in support of the Military Health System mission. The offeror shall describe a fully integrated approach to the delivery of “best value health care services.” For all TRICARE beneficiaries, the approach shall include:

- (a) A discussion of the offeror’s commitment to resource sharing, including the criteria, financial or otherwise, upon which the offeror will obligate itself to providing a resource sharing provider. The explanation will address how the provision of resource sharing personnel will result in the efficient use of Government resources
- (b) A description of and the effect of the offeror’s management of the network on achieving the “Best Value.” This discussion shall include provider discounts, provider profiling for clinical efficiency and effectiveness. The contractor may propose Prime and/or Extra service capabilities in additional areas where and when it is cost-effective.
- (c) An explanation of how demand management policies and procedures will affect the delivery of services and how the offeror will ensure that these processes are designed and delivered in a manner that enhances customer satisfaction.
- (d) A description of the offeror’s medical management program, by element, that clearly delineates the services the offeror will provide both within the direct and purchased care systems and how these programs/processes will ensure that only medically necessary services are provided in the appropriate setting while also ensuring that patients receive all services required in support of their health in a manner to support customer satisfaction.
- (e) A description of how the offeror’s claims processing system, excluding claims for TRICARE/Medicare dual eligible beneficiaries, will enforce the above programs while ensuring that covered services are medically necessary and appropriate.
- (f) A discussion of how the offeror proposes to integrate the healthcare delivery between the direct care system and the offeror’s healthcare system to achieve the most efficacious use of MHS resources to highly satisfied customers. The offeror’s discussion shall address the impact of the proposed practices on all TRICARE Prime, Extra, and Standard beneficiaries.
- (g) The contractor shall demonstrate a commitment to engage with TMA, the Regional Director and all MTF Commanders in a collaborative and partnering manner for the success of the TRICARE Program.
- (h) The offeror shall describe its processes for achieving the 50<sup>th</sup> percentile of all reporting plans on NCQA’s HEDIS measures. This shall include patient/provider tracking, measurements, education, MTF interface, reporting, continuous monitoring to ensure achievement of the minimum requirement and all other processes the offeror will employ to achieve the Government’s required outcome. The offeror shall demonstrate how they shall meet a commitment to achieve an increase in the minimum standard (50<sup>th</sup> percentile of all reporting plans) during each subsequent option period.

**(4) Factor 1 – Technical Approach**

Subfactor 4 - Ensure that all services and systems are fully operational at the start of health care delivery. Disruption to beneficiaries and MTFs shall be minimized.

The offeror shall present a comprehensive description of and timeline for all start-up activities. The description shall specifically address how the offeror will minimize disruption to beneficiaries and MTFs. Within this description, the offeror shall specifically address how it will minimize the potential disruption caused by any existing resource sharing agreements which will not be renewed as well as the offeror’s approach to minimizing the number of patients who are required to change clinicians as a result of a change in the network. The offeror shall specifically state, the percentage of current primary care and specialty providers that will continue to be network providers following the start of health care delivery.

The offeror shall also present its contingency plan should the offeror be directed to assume Managed Care Support contract responsibilities in a second region within 60 days. The plan shall include communications with providers and beneficiaries, claims system capabilities, staffing (including hiring and training), medical management, the assumption of the network, and customer services.



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(5) Factor 1 – Technical Approach

Subfactor 5 - Provide ready access to contractor maintained data to support DoD's financial planning, health systems planning, medical resource management, clinical management, clinical research, and contract administration activities.

The offeror shall describe access to and use of its proposed on-line, real-time data storage system. The offeror shall also describe the training and on-going support the offeror will provide the Government and include a specific reference to those access points required by the technical requirements in Section C. The offeror shall describe the content of the data that will be available to the Government, restrictions and/or limitations.

f. Written Proposal Submission

(1) Technical Proposal/Oral Presentation Slides

(a) The written technical proposal is limited to the standards proposed by the offeror. For each activity the offeror will accomplish to fulfill the requirements specified in this RFP, including those documents incorporated by referenced in Section C-2, the offeror shall submit their proposed performance standards. Where the Government has specified performance standards (for example, network access standards, claims processing cycle times, etc.) the offeror shall, at a minimum, propose the Government's performance standard. The offeror may, however, propose standards that exceed the Government's minimum. Offerors are encouraged to exercise extreme caution in preparing their written technical proposal as the omission of standards may result in an unfavorable evaluation by the Government.

(b) Submission of oral presentation slides is discussed previously. .

(2) Past Performance Information

(a) The offeror shall submit information on experience and past performance in a separately identified electronic submission. The past performance information shall be submitted no later than 30 calendar days prior to the proposal due date. Failure to submit past performance information by the specified time will be considered as a late proposal.

(b) The offeror shall provide a narrative that describes the experience that the prime contractor and first tier subcontractor(s) has in performing work that is relevant to this solicitation. The narrative shall not exceed 25 pages; each page after the first 25 will be discarded and not considered in the evaluation. For purposes of this section, a first tier subcontractor is a subcontractor with a direct contractual relationship with the offeror and meets the subcontractor definition in the TRICARE Operations Manual, Appendix A. A first tier subcontractor excludes institutional, professional and other providers as defined in 32 CFR 199.6. The Government will only consider experience gained within the last three years. All relevant experience shall to be submitted. The offeror may submit any experience it believes demonstrates to the Government the capability of the prime and subcontractors to perform the required administrative services. The information submitted shall include the following, at a minimum:

Prior contract number and dollar value

Relevance of the experience to this solicitation

Time period of this activity (beginning and end dates, if applicable)

Supporting documentation

Relationship of the experience to the appropriate customer

Customer primary and alternate contact name, phone number, and fax number

(c) Within the narrative, the offerors are required to explain what aspects of the contracts are deemed relevant to the proposed efforts, and to what aspects the proposed efforts relate. The offeror is required to clearly demonstrate management actions employed in resolving problems and the effects of those actions, in terms of improvements achieved or problems rectified (i.e., submittal of quality performance indicators or other management indicators).

(d) The offeror and each of the first tier subcontractors shall submit a past performance report for each of their current top five overall accounts based on gross revenues. The offeror shall not include accounts from their own subsidiaries, subcontractors, or other team members. The government expects these references to be among those included in the proposal material documenting experience. It is the offeror's responsibility to have the past performance record completed and signed by an official of the referenced client. The reports are to be completed by the most cognizant officer of the account. The signature must be current - within 60 days prior to the proposal submission date. The offeror shall provide a brief discussion of the work performed for each of the references supplied. Specifically, the offeror shall

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discuss the scope of the work, any notable successes achieved through the offeror's efforts, any problems that developed, or negative experiences and how the offeror responded.

(e) If the top five overall accounts do not include Government business (federal and state) and the offeror and/or its first tier subcontractors are engaged in Government business, submit a past performance record, completed and signed by the Government official responsible for the contract, for the top three Government accounts, in terms of contract price. If the offeror has less than three Government accounts, the offeror must so state. (If any of the Government accounts also fall within the top five overall accounts, only submit the information once.)

(f) If the offeror or first tier subcontractor(s) were formed for the purposes of proposing on this RFP and the parent corporation has relevant experience, the offeror shall submit their top five account information on its parent organization. The offeror must document how the parent corporation's past performance is relevant to this solicitation.

(g) The offeror and each of its first tier subcontractors shall submit contact information as specified in Attachment L-4 for the top three accounts (based on gross revenues) terminated and/or not renewed within the 36 months preceding the submission of the proposal. If the offeror or its first tier subcontractor(s) is engaged in Government business, the offeror shall also submit the information requested above for the top three Government accounts (based on gross revenues). The reports are to be completed by the most cognizant officer of the account. If three do not exist in either category, the offeror must so state.

(h) The offeror shall submit information on key personnel of prime and first tier subcontractors describing experience relevant to the proposal. The key personnel information shall address specific information on qualifications, experience, and demonstrated performance relevant to their proposed positions, including individual leadership qualities. Offerors are advised that TMA may contact none, any, or all references provided on the forms and may contact other third parties as determined necessary.

(i) The offeror shall provide copies of final reports and/or findings issued to any subcontractor by any local, state or federal governing or regulatory/licensing body during the time period from two years prior to the submission of the past performance information. A report/finding is a report or finding that discusses in any manner the offeror's performance of any solicitation requirement. Submit only those reports that have been issued as final (i.e., the contractor has had an opportunity to comment on the report in the time allocated). Explain any deficiencies reported in the evaluation and address the resolution of all findings. Provide updated information as appropriate. Provide a negative response if no reports or findings were issued.

(j) Many companies have acquired, been acquired by, or otherwise merged with other companies, and/or reorganized their divisions, business groups, subsidiary companies, etc. In many cases, these changes have taken place during the time of performance of relevant past efforts or between conclusion of recent past efforts and this source selection. As a result, it is sometimes difficult to determine what past performance is relevant to this acquisition. To facilitate this relevancy determination, include a "roadmap" describing all such changes in the organization of your company.

**(3) Financial Information**

(a) Offerors must demonstrate adequate financial resources to perform the contract or be able to obtain such, including information on the offerors lines of credit, funding mechanisms and future plans for additional lines of credit. Offerors shall submit the three most recent annual reports plus the most recently closed month's balance sheet and income statement. This data must be submitted on the parent corporation, on the subsidiary offeror and on any prior or prospective significant merger candidates. Offerors shall clearly label all financial statements as audited or unaudited.

(b) Copies of adverse financial items uncovered in the last three years' State Insurance Department audits shall be submitted, if applicable. Offerors shall provide a supporting narrative, including a brief description of anomalies in the submitted financial data and a brief description of any projected increases and decreases in the offeror's business base.

(c) Offerors that are start-up companies, without annual reports, shall provide historical documents (e.g., tax returns), projected income statements and balance sheets, and narrative documentation supporting their ability to obtain financial resources to perform the contract.

**(4) The Cost Proposal**

(a) Offerors are required to complete Section B, Supplies or Services and Prices/Costs, for each contract region on which the offeror is submitting a proposal.

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(b) Data tapes are available from the Government that contain historical CHAMPUS health care costs, MTF, and DEERS data for contract regions for at least the three most recent full fiscal years. This data may assist offerors in assessing recent trends and estimating proposed costs. This data may be purchased by offerors at a price of \$3,000.00 per copy. Requests for data are to be directed to the Contracting Officer in writing. Checks are to be made out to TRICARE Management Activity.

(c) Enrollment Fees. Enrollment fees collected by the contractor will be used as an offset to the administrative prices proposed by the contractor and shall not be considered in the determination of the healthcare target cost nor the actual cost of healthcare under the contract.

(d) Offerors shall include all costs of evolving practices, devices, medicines, treatments, and procedures in their proposal.

(e) Subcontractors with administrative prices that exceed \$1,000,000 in any single contract period are subject to the same information requirements as the prime contractor for applicable cost breakdowns with supporting detail and estimating rationale.

(f) DCAA may be requested to perform reviews of prime and subcontractors to include preaward surveys, indirect rate and labor rate reviews, disclosure statement and business system reviews, inflation projections, major cost account reviews including indirect expenses and rates, basis of labor rate or salary estimates, unallowable costs, and financial responsibility.

(g) Cost or pricing data is not initially required. However, if the Contracting Officer requires additional cost information to determine a price fair and reasonable, offerors may be required to submit information other than cost or pricing data, or in some cases, cost or pricing data supported by a Certificate of Current Cost or Pricing Data.

(h) Administrative Prices – All costs associated with administration of the TRICARE health care benefit in accordance with the requirements in Section C will be captured within the line items discussed below.

(i) Offerors shall propose a firm-fixed-price for transition-in services. This price will include all costs anticipated during the ten-month transition-in period to accomplish the transition-in requirements detailed in Section C.

(2) The Government has established an estimated level-of-effort cost for case management/disease management for each option period provided in Section B. The Contract Line Items (CLINs) associated with this effort are cost-reimbursable. The Government estimate includes the cost of medical management programs meeting the criteria specified in Section C-5.2.7. Offerors shall propose a fixed fee for each of the five option periods. The fee shall remain fixed regardless of the level of expenditures experienced by the contractor for this effort and shall not exceed ten percent (10%) of the estimated contract cost for this CLIN in accordance with regulatory guidance.

(3) Offerors shall propose separate fixed claims processing rates for electronic claims, paper claims, and foreign claims (south region only), for each option period. The CLINs associated with this effort are requirements CLINs. These rates will include all costs associated with receiving, inputting, adjudication and end-of-processing activities for claims. Costs for customer service, appeals, marketing, advertising, management, or overhead not associated with adjudicating the claim shall not be included in the claim rate. Offerors shall provide detailed cost build-ups to support the proposed claims rates. This other than cost or pricing data will include staffing levels with a description of the tasks associated with each labor category, appropriate rates and factors, other direct costs, and profit. The Government has established an estimated claims volume for each option period for evaluation purposes only, provided in Attachment L-8.

(4) Offerors shall propose a firm-fixed-price for each option period for the operation of TRICARE Service Centers (TSCs). This price will include all costs uniquely associated with the on-site operation of all TSCs for the contract region and any satellite TSCs established off post due to inadequate space on post. Specifically, the price will only include the cost of staff, equipment, and services required to accomplish those functions required in the TRICARE Operations Manual, Chapter 12, Section 3.

(5) Offerors shall propose a fixed rate on a per-member-per-month (PMPM) basis for each option period for all other on-going administrative efforts not separately identified. The CLINs associated with this effort are indefinite-delivery requirements CLINs. Offerors shall provide detailed cost build-ups to support the proposed PMPM rates. This other than cost or pricing data shall include staffing levels with a description of the tasks associated with each labor category, appropriate rates and factors, subcontracting costs not associated with claims processing, other direct costs, and profit.

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The Government has established an estimated number of MHS-eligible beneficiaries for each option period for evaluation purposes as provided in Attachment L-8. The contractor shall include its assumed enrollment fee revenue as an offset within its proposed PMPM administrative rates for each option period. The contractor shall be responsible for any variance between the assumed and actual collections; however, the TRICARE Operations Manual transition requirements regarding enrollment fees shall be adhered to.

(6) Offerors shall propose a firm-fixed-price for each option period for transition-out activities. This price will include all costs associated with transitioning to a follow-on contract.

**(g) Health Care Prices**

(1) Offerors shall propose the target cost for underwritten health care costs for non-TRICARE/Medicare dual-eligible CHAMPUS beneficiaries for the first option period in accordance with the contract requirements specified in Section C, financing provisions in Section H, and the proposed technical approach. The proposed target cost will include all health care costs, including those that are beyond the contractor's control (i.e., MTF workload levels, number of eligible beneficiaries, price inflation). For future option periods, offerors shall not propose target costs. Target costs for these periods will be determined according to Section H.

(2) Offerors shall propose target health care underwriting fee amounts for each option period. The target fees shall be proposed as both fixed dollar amounts and as percentages. The proposed target health care underwriting fee for the first option period shall not exceed ten percent (10%) of the proposed target cost for underwritten health care. Additionally, the target fee percentages for future option periods shall not exceed ten percent (10%).

(3) Offerors shall include justification for the proposed target healthcare cost in the cost proposal. Offerors must provide one or more spreadsheets presenting the buildup of the proposed target health care cost, along with written description of the spreadsheet structure (e.g., how different parts of the spreadsheet(s) relate to each other). Offerors shall also provide narratives and/or quantitative analyses behind the specific assumptions used to develop the target cost. Areas for elaboration include the assumed effects of:

- provider discounts;
- medical management, such as utilization management, case management, and disease management;
- underlying trends in per-unit price inflation;
- MTF workload levels;
- number of CHAMPUS eligible beneficiaries; and
- any other factors relevant to the offeror's target cost buildup.

(4) Offerors shall explicitly identify their assumptions regarding the number of MHS-eligible beneficiaries reflected in its proposed target healthcare cost.

**L.13. Performance Guarantee and Award Fee**

a. The performance guarantee is the offeror's commitment to perform the requirements of this contract. Offeror's shall propose a minimum of three percent (3%) of the proposed administrative price of each option period of this contract (all contract line item numbers except the health care, underwriting fee, case management/disease management, and award fee) as the performance guarantee. There is no limit on the performance guarantee amount offerors may propose.

b. The amount of the award fee pool will be the same amount pledged by the offeror as a performance guarantee, up to 10% of the offeror's administrative fixed price costs, as defined in the paragraph immediately above. For example, if the offeror proposes a performance guarantee of 6% (administrative fixed price costs) then the award fee pool will be 6% of the administrative fixed price costs. If the offeror offers 11% (administrative fixed price costs) as a performance guarantee, then the award fee pool will be 10% of the offeror's administrative fixed price costs. Neither the amount of the performance guarantee nor the amount of the award fee pool will change after contract award—i.e., neither will change as a result of changes/ equitable adjustments to the administrative contract price(s).

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**L.14. Resource Sharing**

Neither the contractor, nor the Government, shall assume any resource-sharing savings in purchased-care dollars in conjunction with the development of option period 1 target costs for the contract. Resource sharing may be a tool that may be used by both parties to reduce purchased-care and overall underwritten expenditures. The expected administrative costs of resource sharing shall be included by the offeror in preparing its administrative price.

**L-15. Subcontracting Plan**

Offerors designated as large businesses shall submit a subcontracting plan pursuant to Federal Acquisition Regulation (FAR) 19.702 and the clause 52.219-9 entitled "Small Business Subcontracting Plan". The subcontracting plan shall meet the minimum requirements set forth in the FAR.